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NATIONAL MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)

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April 30, 2004

USCG-2003-14472-16
MARAD-2003-15171-14

Docket Management Facility
U.S. Department of Transportation
400 Seventh Street, S.W., Rm. PL-401
Washington, D.C. 20590-0001

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DEPT. OF TRANSPORTATION
DOCKETS

**Re: Vessel Documentation; Lease Financing for Vessels Engaged in the
Coastwise Trade; Docket Nos. USCG-2003-14472 & MARAD-2003-15171**

Ladies and Gentlemen:

The Marine Engineers' Beneficial Association (AFL-CIO) ("MEBA") hereby submits its comments to above-referenced Joint Notice of Proposed Rulemaking ("Joint Notice").

The MEBA is the nation's oldest maritime labor union, established in 1875. MEBA represents licensed engine and deck officers aboard seagoing vessels, ferries and government-contracted ships. The MEBA's members serve aboard a variety of Jones Act vessels potentially affected by the Joint Notice including tank vessels transporting Alaskan crude oil, container vessels in the U.S. non-contiguous trade and ferries on both coasts and in Alaska. The MEBA and its members therefore have a vital interest in the Jones Act and the Joint Notice.

The MEBA supports the efforts of the Coast Guard and the Maritime Administration to protect the integrity of the Jones Act. The Jones Act is an important pillar of U.S. national maritime policy and must be protected and maintained. One critical aspect of the Jones Act is U.S. citizen control over vessel operations, particularly the preservation of the requirement for a U.S. citizen crew.

For the Jones Act to remain as vibrant as it is today, steady investment is needed. The fleet that so ably serves the U.S. economy simply cannot be maintained and expanded to meet our nation's needs without investment. For these reasons, the MEBA supports preservation of the law enacted in 1996 to permit foreign investment in the Jones Act so long as it is constrained by the requirements in that law, particularly the requirement that foreign-owned vessels be operated by U.S. citizen companies with U.S. citizen crews.

Docket Management Facility
April 30, 2004
Page 2

The MEBA also supports the ownership of vessels pursuant to the 1996 lease finance law by foreign-owned companies that are not predominantly maritime companies, such as BP. BP is financing the construction of four state-of-the-art tank vessels at NASSCO for the carriage of Alaskan crude oil to be manned by MEBA members. This financing is a good example of the benefits of investment to the Jones Act and to the U.S. economy while sustaining and preserving the essential attributes of the Jones Act -- U.S. citizen crew, U.S. citizen operation and vessels constructed in the United States.

The MEBA recognizes the concerns of persons who believe that the lease finance law should not be utilized as a Jones Act "loophole." The MEBA shares those concerns. However, at the same time, the MEBA urges the Coast Guard and MARAD to be careful in the application of any restrictions. In its attempt to ensure that the original purpose of the lease finance law is achieved, the government should not impede legitimate investment. The MEBA therefore recommends that no change or restriction be adopted that would impact adversely legitimate transactions such as BP's tanker construction program and BP's acquisition of existing Jones Act vessels in the past.

The MEBA is grateful to the Coast Guard and MARAD for their vigilance. The Jones Act should be protected so that it can continue to serve our nation well as it has in the past. Thank you for the opportunity to comment on this important subject.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ron Davis".

Ron Davis
President, NMEBA